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ACTION ARA-15

INFO OCT-01 ADS-00 PM-05 NSC-05 SP-02 SS-15 CIAE-00
DODE-00 INR-10 NSAE-00 PA-01 ICA-11 ACDA-12 HA-05
EB-08 OMB-01 TRSY-02 EUR-12 NEA-06 COM-02 L-03
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E.O. 12065 GDS 5-31-85 (THAYER, YVONNE) OR-P
TAGS MILI, PFOR, SHUM, AR
SUBJECT POLITICAL EFFECTS OF US ARMS EMBARGO

REF: STATE 067497

. (C-ENTIRE TEXT)

SUMMARY: THE PRINCIPAL EFFECT OF THE TERMINATION OF US
BILATERAL MILITARY ASSISTANCE HAS BEEN THE REORIENTATION
OF THE ARGENTINE MILITARY TOWARD NON-US SUPPLIERS FOR ARMS
AND TRAINING. THE REDUCTION IN BILATERAL MILITARY INTER-
CHANGE AND THE ECONOMIC COST TO US SUPPLIERS ARE POTENTIALLY
SIGNIFICANT. THE EMBARGO HAS BEEN TAKEN BY THE GOA AS A

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COMPELLING POLITICAL STATEMENT ON THE PART OF OUR GOVERNMENT
OF OUR DISLIKE OF HUMAN RIGHTS VIOLATIONS HERE-- ONE OF
MAY SUCH STATEMENTS EXPRESSED IN PUBLIC AND INTERNATIONAL
FORA. AS DIRECT "LEVERAGE" TOWARD HUMAN RIGHTS IMPROVE-

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Department of State, A/GIS/IPS/SRP
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MENT HOWEVER THE RELATIVE EASE WITH WHICH ARGENTINA CAN SUPPLY ITSELF FROM OTHER COUNTRIES HAS MADE OUR EMBARGO INEFFECTIVE. END SUMMARY.

1. THE PROSPECTIVELY MOST LASTING EFFECT OF THE TERMINATION OF BILATERAL MILITARY ASSISTANCE IS THE REORIENTATION OF THE ARGENTINE MILITARY TO NON-US SUPPLIERS OF MILITARY ARMS AND TRAINING. THE ARGENTINE MILITARY HAS HAD NO TROUBLE MAKING UP PURCHASES DENIED TO US SUPPLIERS BY TURNING TO FRANCE AND ISRAEL FOR JET AIRCRAFT, GERMANY FOR TANKS AND SUBMARINES, AND ENGLAND, ITALY AND FRANCE FOR ARMS AND TRAINING. MAJOR WEAPONS SYSTEMS PURCHASES FROM THESE SUPPLIERS INEVITABLY INVOLVE LONG TERM TRAINING AND MAINTENANCE RELATIONSHIPS FORMERLY ENJOYED BY THE US MILITARY AND US SUPPLIERS.

2. AMONG OTHER POTENTIAL NON-US SUPPLIERS, THE SOVIET UNION HAS MOVED AGGRESSIVELY TO STRENGTHEN CULTURAL AND MILITARY RELATIONS WITH ARGENTINA AND HAS OFFERED MILITARY EQUIPMENT AND TRAINING ON GENEROUS TERMS. THE ARGENTINE MILITARY SO FAR HAS SHIED AWAY IN FAVOR OF MORE TRADITIONAL WESTERN SUPPLIERS, ALTHOUGH THE ARGENTINE AIR FORCE BRIEFLY PROFESSED AN INTEREST IN ACQUIRING SOVIET EQUIPMENT. A BULGING TRADE SURPLUS WITH THE SOVIETS IS HOWEVER INCREASING PRESSURE ON ARGENTINA TO PURCHASE MORE SOVIET GOODS. SHOULD GOA EVENTUALLY BREAK THE IDEOLOGICAL BARRIER TO DEALING MILITARILY WITH THE SOVIETS, THE POTENTIAL BILATERAL MILITARY RELATIONSHIP COULD CARRY FAR-REACHING POLITICAL CONSEQUENCES INIMICAL

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TO US INTERESTS.

3. THE ECONOMIC EFFECT ON THE THE US OF THE TERMINATION OF MILITARY ASSISTANCE HAS AND WILL BE SUBSTANTIAL. PRIVATE SECTOR ESTIMATES OF LOST ARMS SALES RUN INTO SEVERAL BILLIONS OF DOLLARS IN NEAR TERM CONTRACTS, ALTHOUGH THE ACTUAL LOSS TO US SUPPLIERS TO DATE IS PROBABLY MUCH LOWER.

4. LOOKING BACK, ANOTHER TANGIBLE EFFECT OF THE DIMINISHING MILITARY ASSISTANCE RELATIONSHIP HAS BEEN THE ARGENTINE NAVY'S REFUSAL TO PARTICIPATE IN UNITAS IN 1977 AND 1978, OSTENSIBLY FOR LACK OF SPARE PARTS, BUT ALSO AS A SIGN OF POLITICAL DISSATISFACTION WITH THE US HUMAN RIGHTS POLICY. ARGENTINE NAVY CONTACTS HAVE IIM-

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PARTED TO EMBASSY OFFICERS A CLEAR CONNECTION BETWEEN THEIR PARTICIPATION IN UNITAS AND US ACTION IN THE HUMAN RIGHTS FIELD. ARGENTINE PARTICIPATION IN THE 1979 UNITAS EXERCISE, OFFICIALS RECENTLY INDICATED TO US, IS ONCE AGAIN HOSTAGE TO US RELAXATION OF SUPPLY CURBS.

5. FOR THE MOST PART, HOWEVER, THE ARGENTINE MILITARY RESPONSE TO THE TERMINATION OF MILITARY ASSISTANCE HAS BEEN RESIGNED AND NON-VINDICTIVE. THE BILATERAL MILITARY COMMUNICATIONS NETWORK CONTINUES TO FUNCTION SMOOTHLY. THE BILATERAL MILITARY OFFICERS RESIDENT AND VISITING IN ARGENTINA ARE CORRECTLY IF NOT SOEFFUSIVELY RECEIVED. THE ARGENTINE MILITARY HAS SHOWN NO SIGNS TO DATE OF PLANNING TO CLOSE OR RESTRICT THE US MILITARY PRESENCE HERE, TO THE POINT OF REFRAINING FROM PRESSING AN EARLIER INQUIRY INTO THE VALIDITY OF CURRENT BILATERAL MILITARY AGREEMENTS. THE ARGENTINE NAVY, IN PARTICULAR, HAD PREVIOUSLY QUESTIONED WHETHER US POLICY HAD NOT IN FACT EFFECTIVELY ABROGATED THE BILATERAL NAVY AGREEMENT IN UNILATERALLY REDUCING STAFFING LEVELS AND NAVAL MISSION DUTIES AND FUNCTIONS.

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6. OUTSIDE OF THE ECONOMIC AND MILITARY EFFECTS OF THE EMBARGO, WHICH ARE POTENTIALLY SUBSTANTIAL, THE POLITICAL EFFECTS TO DATE ARE DIFFICULT TO MEASURE. THE IMMEDIATE LEVERING EFFECT OF THE BAN ON ARGENTINE HUMAN RIGHTS PRACTICES IS PROBABLY LIMITED, DUE TO ARGENTINA'S OWN CONCEPT OF ITS INTERNAL SECURITY NEEDS AND SOVEREIGNTY AS WELL AS TO THE EFFECT OF SUBSTITUTING THIRD COUNTRY MILITARY ARMS AND TRAINING SUPPLIERS. THE EXTENT TO WHICH ARGENTINE ARMS MANUFACTURERS AND ITS MILITARY HAVE BEEN MOTIVATED BY THE EMBARGO TO INCREASE INDIGENOUS ARMS PRODUCTION REMAINS UNKNOWN, BUT EXISTS AS A POTENTIAL UNFAVORABLE BY-PRODUCT OF THE US ARMS CUTOFF.

7. ARGENTINE GOVERNMENT POLICY-MAKERS HAVE THEMSELVES DISCOUNTED THE EFFECT OF US PRESSURES (WITHOUT SPECIFYING THE ARMS EMBARGO) ON ARGENTINE INTERNAL AFFAIRS. PRESIDENTIAL AIDE COL. AMLLEA GIL TOLD A US AUDIENCE IN

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TO SECSTATE WASHDC 0900
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MID-MAY THAT THE US ADMINISTRATION'S POLICY HAS NOT
INFLUENCED THE QUESTION OF HUMAN RIGHTS IN ARGENTINA
"SINCE IT IS AN AUTONOMOUS MATTER THAT DOES NOT DEPEND
ON OUTSIDE FACTORS."

8. GIVEN THE MINIMAL PUBLIC ATTENTION TO THE US ARMS
CUTOFF, THE DIRECT EFFECT OF THE BAN IS LIMITED
INTERNALLY WITHIN ARGENTINA TO THOSE WHO DIRECTLY DEAL
WITH QUESTIONS OF MILITARY PROCUREMENT AND TRAINING.
ONCE IN EFFECT LAST OCTOBER, VIRTUALLY NOTHING MORE
HAS BEEN AID PUBLICLY ABOUT THE US BAN. THE ATTITUDE
OF ARGENTINE OFFICIALS TOWARD US OFFICIALS HAS GENERALLY
BEEN TO RESPECT THE USG'S RIGHT TO DEAL MILITARILY WITH
WHOMEVER IT WISHES, BUT TO REGRET WHAT THEY SEE AS US

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"ERROR" OR "IGNORANCE" IN CUTTING OFF A LONG-STANDING

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MILITARY RELATIONSHIP WITH A WESTERN ALLY SUCH AS ARGENTINA.

9. ALTHOUGH THE TERMINATION OF BILATERAL MILITARY ASSISTANCE ALONE MAY HAVE HAD BUT LIMITED POLITICAL EFFECT ON US-ARGENTINE RELATIONS, THE SAME CANNOT BE SAID FOR THE WHOLE RANGE OF US ACTIONS IN THE HUMAN RIGHTS FIELDS. THE EMBARGO, ALONG WITH US VOTES ON ARGENTINE LOANS IN INTERNATIONAL FINANCIAL INSTITUTIONS, US POSITIONS IN WORLD HUMAN RIGHTS VFORA, OFFICIAL US STATEMENT AND GESTURES REGARDING THE ARGENTINE HUMAN RIGHTS SITUATION, US CONGRESSIONAL AND PRIVATE HRO ACTIONS, AND THE EMPHASIS GIVEN TO HUMAN RIGHTS IN EMBASSY REPRESENTATIONS AND PRIVATE AND PUBLIC DIPLOMACY HAVE A POWERFUL CUMULATIVE EFFECT ON US-ARGENTINE BILATERAL RELATIONS. US DISSATISFACTION WITH ARGENTINA'S HUMAN RIGHTS PERFORMANCE IS WELL-KNOWN AND WIDELY DISCUSSED. RELATIONS WITH GOA ARE CORRENTLY CORRECT BUT SHOW INCREASING STRAIN, PENDING PROMISED IMPROVEMENTS IN GOA HUMAN RIGHTS PRACTICES.

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